

MEMORANDUM FOR THE RECORD

25 FEB 1975

SUBJECT : Cost-Back Methodology

REFERENCE: Multiple Adse Memo dtd 14 Feb 75 fr DDA, same subj

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1. The planned meeting, mentioned in paragraph 3 of reference, was held at 0930 hours, 24 February 1974, in the DDA Conference Room. It was chaired by [redacted] and attended by the planning representatives of all DDA offices plus [redacted] Office of the Comptroller.

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2. [redacted] reviewed the Director/DDA exchanges on the subject and recapped the results as follows:

- a. Maintain the ADP reporting system;
- b. Continue studying charging other government agencies for services rendered (initial work in this area indicates that if CIA begins charging and other departments and agencies reply in kind, we will be billed about \$7 for every dollar we charge);
- c. Whatever costing systems are implemented, there will be no transfer of funds;
- d. Action must proceed to identify services in Groups I, II, and III; however, the Director accepted the rationale of Group IV thereby exempting the Office of Logistics (OL), the Office of Finance, and the Office of Personnel from further action in the current exercise;
- e. A Group V was added to list those services which would be counter-productive to cost back. (This requires no action on OL's part since our entire activity is exempt.)

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3. [redacted] concluded by stating all offices must maintain their capability to cost back services in case it becomes necessary in the future. In this regard, resource packages must be validated and kept current. Mr. [redacted] added that he personally felt costing back was not productive; however, if the Director comes under heavy budgetary pressures requiring substantial cuts, it may become a necessary exercise in order to determine the best place to make cuts.

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Chief
Plans and Programs Staff, OL